

## Introduced by Senator Kuehl

February 23, 2001

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An act to amend Sections 1946 and 1954.52 of, and to add Section 1946.1 to, the Civil Code, relating to real property.

## LEGISLATIVE COUNSEL'S DIGEST

SB 985, as introduced, Kuehl. Real property.

(1) Existing law provides for the renewal and termination of a hiring of real property for an unspecified term.

This bill would limit that provision to nonresidential real property, and set forth separate provisions governing the renewal and termination of a hiring of residential real property, as specified.

(2) Existing law sets forth the Costa-Hawkins Rental Housing Act, as specified, authorizing owners of residential real property to establish the initial and all subsequent rental rates for certain dwellings or units.

This bill would exempt specified condominium units from these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1946 of the Civil Code is amended to  
2 read:

3 1946. A hiring of *nonresidential* real property, for a term not  
4 specified by the parties, is deemed to be renewed as stated in  
5 Section 1945, at the end of the term implied by law unless one of  
6 the parties gives written notice to the other of his *or her* intention  
7 to terminate the same, at least as long before the expiration thereof



1 as the term of the hiring itself, not exceeding 30 days; provided,  
2 however, that as to tenancies from month to month either of the  
3 parties may terminate the same by giving at least 30 days' written  
4 notice thereof at any time and the rent shall be due and payable to  
5 and including the date of termination. It shall be competent for the  
6 parties to provide by an agreement at the time such tenancy is  
7 created that a notice of the intention to terminate the same may be  
8 given at any time not less than seven days before the expiration of  
9 the term thereof. The notice herein required shall be given in the  
10 manner prescribed in Section 1162 of the Code of Civil Procedure  
11 or by sending a copy by certified or registered mail addressed to  
12 the other party. In addition, the lessee may give such notice by  
13 sending a copy by certified or registered mail addressed to the  
14 agent of the lessor to whom the lessee has paid the rent for the  
15 month prior to the date of such notice or by delivering a copy to  
16 the agent personally.

17 SEC. 2. Section 1946.1 is added to the Civil Code, to read:

18 1946.1. (a) A hiring of residential real property, for a term  
19 not specified by the parties, is deemed to be renewed as stated in  
20 Section 1945, at the end of the term implied by law unless one of  
21 the parties gives written notice to the other of his or her intention  
22 to terminate the tenancy, as provided in this section.

23 (b) An owner of a residential dwelling giving notice pursuant  
24 to this section shall give notice at least 90 days prior to the  
25 proposed date of termination. A tenant giving notice pursuant to  
26 this section shall give notice for a period at least as long as the term  
27 of the periodic tenancy prior to the proposed date of termination.

28 (c) The notices required by this section shall be given in the  
29 manner prescribed in Section 1162 of the Code of Civil Procedure  
30 or by sending a copy by certified or registered mail.

31 (d) Nothing in this section shall be construed to enhance or  
32 diminish the right of any local entity to prescribe the grounds upon  
33 which an owner may terminate a tenancy.

34 SEC. 3. Section 1954.52 of the Civil Code is amended to read:

35 1954.52. (a) Notwithstanding any other provision of law, an  
36 owner of residential real property may establish the initial and all  
37 subsequent rental rates for a dwelling or a unit about which any of  
38 the following is true:

39 (1) It has a certificate of occupancy issued after February 1,  
40 1995.



(2) It has already been exempt from the residential rent control ordinance of a public entity on or before February 1, 1995, pursuant to a local exemption for newly constructed units.

(3) It is alienable separate from the title to any other dwelling unit ~~or~~ *but not a condominium unit, or it is a condominium unit which has been sold separately by the subdivider to a bona fide purchaser for value, or it is a subdivided interest in a subdivision* as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code. This paragraph shall not apply to a dwelling or unit where the preceding tenancy has been terminated by the owner by notice pursuant to Section 1946 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827.

Where a dwelling or unit whose initial or subsequent rental rates are controlled by an ordinance or charter provision in effect on January 1, 1995, the following shall apply:

(A) An owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all existing and new tenancies in effect on or after January 1, 1999, if the tenancy in effect on or after January 1, 1999, was created between January 1, 1996, and December 31, 1998.

(B) Commencing on January 1, 1999, an owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all new tenancies if the previous tenancy was in effect on December 31, 1995.

(C) The initial rental rate for a dwelling or unit as described in this paragraph whose initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995 shall not, until January 1, 1999, exceed the amount calculated pursuant to subdivision (c) of Section 1954.53. An owner of residential real property as described in this paragraph may until January 1, 1999, establish the initial rental rate for a dwelling or unit only where the tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of the Code of Civil Procedure.

(b) Subdivision (a) shall not apply where the owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

1 (c) Nothing in this section shall be construed to affect any  
2 authority of a public entity that may otherwise exist to regulate or  
3 monitor the basis for eviction.

4 (d) This section shall not apply to any dwelling or unit which  
5 contains serious health, safety, fire, or building code violations,  
6 excluding those caused by disasters, for which a citation has been  
7 issued by the appropriate governmental agency and which has  
8 remained unabated for six months or longer preceding the  
9 vacancy.

